



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE
McLaren Health Plan Community

NAIC Group Code	4700 (Current Period)	4700 (Prior Period)	NAIC Company Code	14217	Employer's ID Number	27-2204037
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[] N/A[X]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]	
Incorporated/Organized	12/23/2009		Commenced Business	02/16/2012		
Statutory Home Office	G3245 Beecher Rd. (Street and Number)		Flint, MI, US 48532 (City or Town, State, Country and Zip Code)			
Main Administrative Office			G3245 Beecher Rd. (Street and Number)			
	Flint, MI, US 48532 (City or Town, State, Country and Zip Code)		(888)327-0671 (Area Code) (Telephone Number)			
Mail Address	G3245 Beecher Rd. (Street and Number or P.O. Box)		Flint, MI, US 48532 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records			G3245 Beecher Rd. (Street and Number)			
	Flint, MI, US 48532 (City or Town, State, Country and Zip Code)		(888)327-0671 (Area Code) (Telephone Number)			
Internet Website Address	www.mclarenhealthplan.org					
Statutory Statement Contact	Rachel L. Hairston (Name)		(810)733-9678 (Area Code)(Telephone Number)(Extension)			
	rachel.hairston@mclaren.org (E-Mail Address)		(810)600-7947 (Fax Number)			

OFFICERS

Name	Title
Nancy Jenkins	President
Kathy Kendall	Vice President
Dave Mazurkiewicz	Treasurer
Deidra Wilson	Secretary
Cheryl Diehl	Assistant Treasurer
Kathleen Kudray, DO	Chief Medical Officer
Carol Solomon	Assistant Secretary
Kevin Tompkins	Chairman

OTHERS

Dennis LaForest, Enrollee Representative

DIRECTORS OR TRUSTEES

Nancy Jenkins	Kevin Tompkins
Dave Mazurkiewicz	Deidra Wilson
Patrick Hayes	

State of Michigan
County of Genesee ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Kathy Kendall	(Signature) Carol Solomon	(Signature) Cheryl Diehl
(Printed Name) 1.	(Printed Name) 2.	(Printed Name) 3.
Vice President	Assistant Secretary	Assistant Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of , 2019

- a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	1,013,591		1,013,591	1,019,274
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....12,268,350, Schedule E Part 1), cash equivalents (\$.....22,755,113, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	35,023,463		35,023,463	30,697,574
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	36,037,054		36,037,054	31,716,848
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	76,894		76,894	35,997
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	1,541,084	264,891	1,276,193	1,245,490
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	1,007,461		1,007,461	735,829
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	1,108,454		1,108,454	560,061
24.	Health care (\$.....0) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	729,383	68,500	660,883	1,362,752
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	40,500,330	333,391	40,166,939	35,656,977
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	40,500,330	333,391	40,166,939	35,656,977
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Accounts Receivable - Risk Adjustmnet	660,883		660,883	1,362,752
2502.	Risk Corridor Receivable				
2503.	Pre-Paid Expenses	68,500	68,500		
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	729,383	68,500	660,883	1,362,752

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	16,869,071		16,869,071	14,780,076
2.	Accrued medical incentive pool and bonus amounts	360,880		360,880	293,183
3.	Unpaid claims adjustment expenses	479,725		479,725	414,325
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves	211,424		211,424	
8.	Premiums received in advance	810,691		810,691	2,341,366
9.	General expenses due or accrued	784,990		784,990	1,201,719
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	1,174,230		1,174,230	705,494
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	549,377		549,377	1,368,493
24.	TOTAL Liabilities (Lines 1 to 23)	21,240,386		21,240,386	21,104,656
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	18,000,000	18,000,000
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	926,552	(3,447,680)
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	18,926,552	14,552,320
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	40,166,939	35,656,977
DETAILS OF WRITE-INS					
2301.	Risk Adjustment Payable	549,377		549,377	1,368,493
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	549,377		549,377	1,368,493
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	354,914	339,253
2.	Net premium income (including \$.....0 non-health premium income)	X X X	143,773,241	119,444,597
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	143,773,241	119,444,597
Hospital and Medical:				
9.	Hospital/medical benefits		96,558,037	83,494,418
10.	Other professional services		1,898,029	1,638,283
11.	Outside referrals			
12.	Emergency room and out-of-area		4,838,871	4,004,757
13.	Prescription drugs		23,733,391	21,670,004
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		292,320	293,183
16.	Subtotal (Lines 9 to 15)		127,320,648	111,100,645
Less:				
17.	Net reinsurance recoveries		2,416,040	1,005,398
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		124,904,608	110,095,247
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....445,169 cost containment expenses		2,342,999	1,757,261
21.	General administrative expenses		12,360,832	10,161,165
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		211,424	(201,915)
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		139,819,862	121,811,758
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,953,378	(2,367,161)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		624,644	132,016
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		624,644	132,016
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,578,022	(2,235,145)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	4,578,022	(2,235,145)
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	14,552,320	13,870,451
34.	Net income or (loss) from Line 32	4,578,022	(2,235,145)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(203,790)	2,917,014
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	4,374,232	681,870
49.	Capital and surplus end of reporting year (Line 33 plus 48)	18,926,552	14,552,320
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	142,031,367	120,566,027
2.	Net investment income	589,430	105,707
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	142,620,797	120,671,734
5.	Benefit and loss related payments	122,340,974	107,854,095
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	15,055,160	11,516,538
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	137,396,134	119,370,633
11.	Net cash from operations (Line 4 minus Line 10)	5,224,664	1,301,101
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(898,774)	4,246,007
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(898,774)	4,246,007
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	4,325,889	5,547,108
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	30,697,574	25,150,465
19.2	End of year (Line 18 plus Line 19.1)	35,023,463	30,697,574

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	143,773,241	143,521,264	251,977							
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	143,773,241	143,521,264	251,977							
8.	Hospital/medical benefits	96,558,037	96,339,376	218,660							X X X
9.	Other professional services	1,898,029	1,895,582	2,447							X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	4,838,871	4,833,199	5,672							X X X
12.	Prescription drugs	23,733,391	23,733,391								X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts	292,320	292,320								X X X
15.	Subtotal (Lines 8 to 14)	127,320,648	127,093,868	226,780							X X X
16.	Net reinsurance recoveries	2,416,040	2,416,040								X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	124,904,608	124,677,828	226,780							X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....445,169 cost containment expenses	2,342,999	2,338,728	4,271							
20.	General administrative expenses	12,360,832	12,228,996	131,836							
21.	Increase in reserves for accident and health contracts	211,424	211,424								X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	139,819,862	139,456,976	362,886							
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	3,953,378	4,064,287	(110,909)							
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical)	145,583,479		2,062,215	143,521,264
2.	Medicare Supplement	251,977			251,977
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	145,835,456		2,062,215	143,773,241
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	145,835,456		2,062,215	143,773,241

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	124,952,532	124,818,298	134,234							
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	2,416,040	2,416,040								
1.4 Net	122,536,492	122,402,258	134,234							
2. Paid medical incentive pools and bonuses	224,623	224,623								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,869,071	16,776,525	92,545							
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	16,869,071	16,776,525	92,545							
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	211,424	211,424								
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	211,424	211,424								
5. Accrued medical incentive pools and bonuses, current year	360,880	360,880								
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year	1,007,461	1,007,461								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	14,780,076	14,780,076								
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	14,780,076	14,780,076								
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	293,183	293,183								
11. Amounts recoverable from reinsurers December 31, prior year	735,829	735,829								
12. Incurred benefits:										
12.1 Direct	127,252,951	127,026,171	226,780							
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	2,687,672	2,687,672								
12.4 Net	124,565,279	124,338,499	226,780							
13. Incurred medical incentive pools and bonuses	292,320	292,320								

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	11,808,350	11,743,568	64,782							
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	11,808,350	11,743,568	64,782							
2. Incurred but Unreported:										
2.1 Direct	5,060,721	5,032,958	27,764							
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	5,060,721	5,032,958	27,764							
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	16,869,071	16,776,525	92,545							
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	16,869,071	16,776,525	92,545							

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	14,172,547	108,005,088	5,535	16,982,414	14,178,082	14,780,076
2.	Medicare Supplement		134,234		92,545		
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	14,172,547	108,139,322	5,535	17,074,959	14,178,082	14,780,076
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	224,623		68,560	292,320	293,183	293,183
13.	TOTALS (Lines 9 - 10 + 11 + 12)	14,397,169	108,139,322	74,095	17,367,279	14,471,265	15,073,258

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X	41,348	54,253	54,261
5.	2017	X X X	X X X	X X X	75,254	89,642
6.	2018	X X X	X X X	X X X	X X X	108,139

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X	55,889	54,276	54,261
5.	2017	X X X	X X X	X X X	90,304	89,716
6.	2018	X X X	X X X	X X X	X X X	125,507

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2015 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2016	61,045	54,261	979	1.804	55,240	90.490 .....	.....	406	55,646	91.155
4.	2017	119,445	89,642	1,702	1.899	91,344	76.474	74	9	91,427	76.543
5.	2018	143,773	108,139	1,619	1.497	109,758	76.341	17,367	66	127,192	88.467

12 Grand Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X	41,348	54,253	54,261
5.	2017	X X X	X X X	X X X	75,254	89,642
6.	2018	X X X	X X X	X X X	X X X	108,005

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X	55,889	54,276	54,261
5.	2017	X X X	X X X	X X X	90,304	89,716
6.	2018	X X X	X X X	X X X	X X X	125,280

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2015 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2016	61,045	54,261	979	1.804	55,240	90.490 .....	.....	406	55,646	91.155
4.	2017	119,445	89,642	1,702	1.899	91,344	76.474	74	9	91,427	76.543
5.	2018	143,521	108,005	1,616	1.496	109,621	76.380	17,275	66	126,962	88.462

12 Hospital and Medical

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Medicare Supplement
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X .....	.....	.....	.....
5.	2017	X X X	X X X	X X X .....	.....	.....
6.	2018	X X X	X X X	X X X	X X X	134

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	.....	.....	.....	.....	.....
2.	2014 .....	.....	.....	.....	.....	.....
3.	2015	X X X .....	.....	.....	.....	.....
4.	2016	X X X	X X X .....	.....	.....	.....
5.	2017	X X X	X X X	X X X .....	.....	.....
6.	2018	X X X	X X X	X X X	X X X	227

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2014 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2015 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2016 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2017 .....	.....	.....	0 .....	.....	0 .....	.....	.....	.....	0 .....	.....
5.	2018	252	134	3	2.320	137	54.506	93 .....	.....	230	91.235

12 Medicare Supplement

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)									
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves	211,424	211,424							
12. TOTALS (Gross)	211,424	211,424							
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)	211,424	211,424							
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101. Commercial Premium Reserves	211,424	211,424							
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..	211,424	211,424							

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)					
2.	Salaries, wages and other benefits	120,334	513,002	1,802,572		2,435,908
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			3,419,032		3,419,032
4.	Legal fees and expenses			6,554		6,554
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			35,067		35,067
7.	Traveling expenses	956	4,077	14,326		19,359
8.	Marketing and advertising			442,748		442,748
9.	Postage, express and telephone	6,510	27,752	97,515		131,777
10.	Printing and office supplies	18,405	78,468	275,720		372,594
11.	Occupancy, depreciation and amortization	5,544	23,636	83,050		112,230
12.	Equipment	60	254	892		1,206
13.	Cost or depreciation of EDP equipment and software	4,847	20,663	72,605		98,115
14.	Outsourced services including EDP, claims, and other services	230,001	980,532	3,445,364		4,655,898
15.	Boards, bureaus and association fees	336	1,433	5,034		6,803
16.	Insurance, except on real estate			12,597		12,597
17.	Collection and bank service charges					
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses			13,917		13,917
22.	Real estate taxes			466		466
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes			1,950,223		1,950,223
23.2	State premium taxes					
23.3	Regulatory authority licenses and fees					
23.4	Payroll taxes	5,941	25,326	88,990		120,257
23.5	Other (excluding federal income and real estate taxes)	35,475	151,238	531,414		718,127
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	16,759	71,448	62,744		150,952
26.	TOTAL Expenses Incurred (Lines 1 to 25)	445,169	1,897,829	12,360,832		(a) 14,703,830
27.	Less expenses unpaid December 31, current year			784,990		784,990
28.	Add expenses unpaid December 31, prior year			1,201,719		1,201,719
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	445,169	1,897,829	12,777,560		15,120,558
DETAILS OF WRITE-INS						
2501.	Business Development	49	208	730		986
2502.	Community Support	814	3,472	12,200		16,487
2503.	Miscellaneous	12,829	54,693	3,871		71,393
2598.	Summary of remaining write-ins for Line 25 from overflow page	3,067	13,075	45,943		62,086
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	16,759	71,448	62,744		150,952

(a) Includes management fees of \$.....2,887,892 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 11,771	..... 14,104
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 578,590	..... 610,540
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL gross investment income .....	..... 590,360	..... 624,644
11.	Investment expenses	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g).....	
13.	Interest expense	(h).....	
14.	Depreciation on real estate and other invested assets	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	TOTAL Deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 624,644	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(b) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued dividends on purchases.			
(c) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(d) Includes \$......0 for company's occupancy of its own buildings; and excludes \$......0 interest on encumbrances.			
(e) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(f) Includes \$......0 accrual of discount less \$......0 amortization of premium.			
(g) Includes \$......0 investment expenses and \$......0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$......0 interest on surplus notes and \$......0 interest on capital notes.			
(i) Includes \$......0 depreciation on real estate and \$......0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	TOTAL Capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	264,891	84,396	(180,495)
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable			
25.	Aggregate write-ins for other than invested assets	68,500	45,205	(23,295)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	333,391	129,601	(203,790)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	333,391	129,601	(203,790)
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Accounts Receivable - Risk Adjustment			
2502.	Risk Corridor Receivable			
2503.	Pre-Paid Expenses	68,500	45,205	(23,295)
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	68,500	45,205	(23,295)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	.....	8,464	8,180	7,982	7,504	97,378
2.	Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3.	Preferred Provider Organizations .....	.....	.....	.....	.....	.....	.....
4.	Point of Service	28,075	21,585	21,446	21,136	21,032	257,536
5.	Indemnity Only .....	.....	.....	.....	.....	.....	.....
6.	Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7.	TOTAL	28,075	30,049	29,626	29,118	28,536	354,914
DETAILS OF WRITE-INS							
0601.	.....	.....	.....	.....	.....	.....	.....
0602.	.....	.....	.....	.....	.....	.....	.....
0603.	.....	.....	.....	.....	.....	.....	.....
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of McLaren Health Plan Community have been prepared in accordance with NAIC Accounting Practices and Procedures manual and statutory accounting principles as prescribed by the Michigan Department of Insurance and Financial Services. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Plan, except for the prescribed practice for SSAP 84, Certain Health Care Receivables and Receivables under Government Insured Plans. There is no impact on statutory surplus of the differences in accounting principles prescribed by the NAIC and the State of Michigan, due to the prescribed practice referenced above.

	Description	SSAP	F/S Page	F/S Line #	State of Domicile	2018	2017
Net Income							
1	State Basis	XXX	XXX	XXX	MI	4,578,022	(2,235,145)
2	State Prescribed Practices that increase/(decrease) NAIC SAP					-	-
3	State Permitted Practices that increase/(decrease) NAIC SAP					-	-
4	NAIC SAP	XXX	XXX	XXX	MI	4,578,022	(2,235,145)
Surplus							
5	State Basis	XXX	XXX	XXX	MI	18,926,552	14,552,320
6	State Prescribed Practices that increase/(decrease) NAIC SAP					-	-
7	State Permitted Practices that increase/(decrease) NAIC SAP					-	-
8	NAIC SAP	XXX	XXX	XXX	MI	18,926,552	14,552,320

B. Use of Estimates in the Preparation of the Financial Statements

Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

C. Accounting Policy

- (1) Short-Term investments: None.
- (2) Bonds are stated at amortized cost using the interest method.
- (3) Common Stock: None
- (4) Preferred Stock: None
- (5) Mortgage Loans: None
- (6) Loaned-Backed Securities: None
- (7) Investments in Subsidiaries Controlled and Affiliated Companies: None
- (8) Investments in Joint Ventures, Partnerships, and Limited Liability Co: None
- (9) Derivatives: None

Notes to Financial Statements

(10) Anticipated investment income is not a factor in the premium deficiency calculation.

(11) Policy and methodologies for estimating liabilities for losses and loss/claim adjustment expenses: Estimates of liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals, are based on actuarial assumptions relevant to contract provisions, and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined

(12) Capitalization policy and the resultant predefined thresholds did not change from the prior period.

(13) Pharmaceutical Rebate Receivables: Pharmaceutical rebates receivables are derived from actual confirmed receipts from the PBM.

D. Going Concern

Management has evaluated McLaren Health Plan Community's ability to continue as a going concern and has no substantial doubt about McLaren Health Plan Community's ability to continue as a going concern.

Note 2 - Accounting Changes and Corrections of Errors: None

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance: None

D. Impairment Loss: None

Note 4 - Discontinued Operations: None

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans: None

B. Debt Restructuring: None

C. Reverse Mortgages: None

D. Loan-Backed Securities: None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions: None

F. Repurchase Agreements Transactions Accounted for as Secured borrowing: None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: None

H. Repurchase Agreements Transactions Accounted for as a Sale: None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: None

- J. Real Estate: None
- K. Low-Income Housing Tax Credits (LIHTC): None
- L. Restricted Assets:

Restricted Asset Category		Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted	Percent Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown							
b.	Collateral held under security lending agreements							
c.	Subject to repurchase agreements							
d.	Subject to reverse repurchase agreements							
e.	Subject to dollar repurchase agreements							
f.	Subject to dollar reverse repurchase agreements							
g.	Placed under option contracts							
h.	Letter stock or securities restricted as to sale							
i.	FHLB capital stock							
j.	On deposit with states							
k.	On deposit with other regulatory bodies	1,013,591	1,019,274	-5,683		1,013,591	2.5030	2.5230
l.	Pledged as collateral to FHLB (including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories							
n.	Other restricted assets							
o.	Total Restricted Assets	1,013,591	1,019,274	-5,683	-	1,013,591	2.503	2.523

- M. Working Capital Finance Investments: None
- N. Offsetting and Netting of Assets and Liabilities: None
- O. Structured Notes: None
- P. 5* Securities: None
- Q. Short Sale: None
- R. Prepayment Penalty and Acceleration Fees: None

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies: None

Note 7 - Investment Income: No exclusions

Note 8 - Derivative Investments: None

Note 9 - Income Taxes

As of May 5, 2016 McLaren, Health Plan Community is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4).

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. Nature of the relationship: McLaren Health Care Corporation (MHCC), a Michigan nonprofit corporation and holding company of various health care entities was the sole parent of McLaren Health Plan, Inc. McLaren Health Plan Inc., a Michigan non-profit corporation, is the sole parent of McLaren Health Plan Community. The parent company initially invested into McLaren Health Plan Community gross paid in capital of \$3,000,000 and an additional contributed surplus of \$15,000,000 in

Notes to Financial Statements

2016. On March 15, 2018 the Board of Directors of McLaren Health Care Corporation (MHCC) adopted a resolution to establish a Michigan nonprofit corporation McLaren Integrated HMO Group as to which MHCC would be the sole Member. Further, the Board of Directors of McLaren Health Care Corporation adopted a resolution to transfer its Membership in McLaren Health Plan Inc. and MDwise Inc. to the McLaren Integrated HMO Group.

- B. Description of transactions: None
- C. Amount of transactions: None
- D. Due from Affiliates: \$1,108,454 amounts due from affiliate for administrative services and information system operations support. The amounts are settled monthly.
Due to Affiliates: \$1,174,230 amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled monthly.
- E. Guarantees or undertakings: None
- F. Management Agreement: McLaren Health Plan agrees to provide certain operational services and other resources to McLaren Health Plan Community. Amount for 2018 was \$7,196,042.
- G. Control relationship: McLaren Health Plan Community is a wholly owned subsidiary of McLaren Health Plan, Inc., a Michigan non-profit corporation.
- H. Upstream/downstream activity: None
- I. Investment in SCA: None
- J. Investments in impaired SCA: None
- K. Investment in foreign insurance subsidiary: None
- L. Investment in downstream noninsurance holding company: None
- M. All SCA Investments: None
- N. Investment in Insurance SCAs: None
- O. SCA Loss Tracking: None

Note 11 – Debt: None

Note 12 - Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. Defined Benefit Plan: None
- B. Narrative Description of Policies and Strategies: N/A
- C. Fair Value of Assets: N/A
- D. Narrative Description of Basis: N/A
- E. Defined Contribution Plans: None
- F. Multiemployer Plans: None

Notes to Financial Statements

- G. Consolidated/Holding Company Plans: McLaren Health Plan (parent company) is part of the McLaren Health Care Corporation holding company, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan employees whose employment began prior to Oct 1, 2004. The benefits under the plan are based on years of service and the employee’s termination of employment. McLaren Health Plan along with McLaren Health Plan Community has no legal obligation for benefits under this plan. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Retirement Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future. As of 10/1/12, the pension plan has been frozen.
- McLaren Health Plan (parent company) employees hired on or after October 1, 2004 are covered by a qualified defined contribution plan which is a part of the master trust agreement for MHCC. Vesting period for contribution matching by McLaren Health Plan is 1 year (previous to 2014, was 2 year vesting period). McLaren Health Plan Community has no legal obligation for benefits under this plan.
- H. Post-employment Benefits and Compensated Absences: They are accrued.
- I. The impact of Medicare Modernization Act on Post-Retirement Benefits is not reflected in the financial statements or accompanying notes.

Note 13 - Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- (1) Capital stock: None
- (2) Preferred stock: None
- (3) Dividend restrictions: The Commissioner (State of Michigan) shall consider the following factors regarding dividends:
 - (a.) The adequacy of the level of surplus as regard policyholders remaining after the dividend payment(s)
 - (b.) The quality of the Plan’s earnings and the extent to which the reported earnings include extraordinary items, such as surplus relief insurance transactions and reserve de-strengthening;
 - (c.) The quality and liquidity of investments in subsidiaries
 - (d.) If the Commissioner determines that the Plan’s surplus as regards policyholders is not reasonable in relation to the Plan’s outstanding liabilities and is not adequate to its financial needs, the Commissioner shall limit or disallow the payment of shareholder dividends.
- (4) Date and amount of dividends issued: None
- (5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions placed on surplus: None
- (7) Advances of surplus not paid: None
- (8) Amount of stock held for special purposes: None
- (9) Special surplus funds: None
- (10) Unassigned funds (surplus) represented or reduced: None
- (11) Surplus notes: None

Notes to Financial Statements

- (12) Quasi-reorganization: None
- (13) Effective Date of Quasi-reorganization: N/A

Note 14 - Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies
The Plan is susceptible to various legal actions related to Plan activities. Management is of the opinion that no litigation matters are outstanding or pending that will have a material effect on its financial position or results of operations.

Note 15 - Leases: None

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk: None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales: None
- B. Transfer and Servicing of Financial Assets: None
- C. Wash Sales: None

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

- A. ASO plans – N/A
- B. ASC plans – N/A
- C. Medicare or similarly structured cost based reimbursement contracts – N/A

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators: None

Note 20 - Fair Value Measurements:

Accounting standards require certain assets and liabilities be reported or disclosed at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Notes to Financial Statements

The following table presents information about the Plan’s assets and liabilities measured at fair value at December 31, 2018, and the valuation techniques used by the Plan to determine those fair values.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 992,430	\$ 1,013,591		\$ 1,013,591			

Note 21 - Other Items

- A. Unusual or Infrequent Items: None
- B. Troubled Debt Restructuring: Debtors: None
- C. Other Disclosures: Assets in the amount of \$1,013,591 (US. Treasury Notes) were on deposit (safekeeping account) with the State of Michigan Treasury as required by regulation.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable and Non-transferable Tax Credits: None
- F. Subprime Mortgage Related Risk Exposure: None
- G. Retained Assets: None
- H. Insurance-Linked Securities (ILS) Contracts: None

Note 22 - Events Subsequent: None.

Note 23 - Reinsurance

A. Ceded Reinsurance Report

Section 1-General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? No.

Section 2 - Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No.

Notes to Financial Statements

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No.

Section 3 - Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business in making this estimate.

The Plan cedes reinsurance under a specific excess loss reinsurance agreement. During 2018 the Plan’s specific deductible per covered person is \$450,000 for commercial, up to a maximum per covered person of \$2,000,000.

The Plan is also a participant in the transitional reinsurance program under the requirements of the Patient Protection and Affordable Care Act. This program provides funding to insurers in the individual market that incur high claim costs for enrollees. The program requires assessments from all issuers of major medical commercial products and third-part administrators on behalf of group health plans based on a per member annual fee established by the Department of health and Human Service (HHS). The Plan has recorded a reinsurance recoverable related to this program of \$1,930 as of 12/31/18.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No.

- B. Uncollectible Reinsurance: None
- C. Commutation of Ceded Reinsurance: None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

E. Risk Sharing Provisions of the Affordable Care Act (ACA)

- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions. Yes

Notes to Financial Statements

(2)

IMPACT OF RISK-SHARING PROVISIONS OF THE ACA		
		AMOUNT
Permanent ACA Risk Adjustment Program		
	Assets	
1.	Premium adjustments receivable due to ACA Risk Adjustment	\$ 556,797
	Liabilities	
2.	Risk adjustment user fees payable for ACA Risk Adjustment	\$ 13,698
3.	Premium adjustments payable due to ACA Risk Adjustment	\$ 549,377
	Operations (Revenue & Expense)	
4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 7,420
5.	Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 13,480
Transitional ACA Reinsurance Program		
	Assets	
1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$ -
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ -
3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ -
	Liabilities	
4.	Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$ -
5.	Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
	Operations (Revenue & Expense)	
7.	Ceded reinsurance premiums due to ACA Reinsurance	\$ -
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ -
9.	ACA Reinsurance contributions - not reported as ceded premium	\$ -
Temporary ACA Risk Corridors Program		
	Assets	
1.	Accrued retrospective premium due to ACA Risk Corridors	\$ -
	Liabilities	
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
	Operations (Revenue & Expense)	
3.	Effect of ACA Risk Corridors on net premium income (paid/received)	\$ -
4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

(3)

Notes to Financial Statements

ROLL-FORWARD OF PRIOR YEAR ACA RISK-SHARING PROVISIONS

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1 - 3 +7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
Permanent ACA Risk Adjustment Program											
Premium adjustments receivable	\$ 1,362,752		\$ 1,519,904		\$ (157,151)	\$ -	\$ 261,238		A	\$ 104,086	\$ -
Premium adjustments (payable)		\$ (1,368,493)	\$ -	\$ (2,215,568)	\$ -	\$ 847,075	\$ -	\$ (847,075)	B	\$ -	\$ -
Subtotal ACA Permanent Risk Adjustment Program	\$ 1,362,752	\$ (1,368,493)	\$ 1,519,904	\$ (2,215,568)	\$ (157,151)	\$ 847,075	\$ 261,238	\$ (847,075)		\$ 104,086	\$ -
Transitional ACA Reinsurance Program											
Amounts recoverable for claims paid	\$ 67,171		\$ 65,242		\$ 1,930	\$ -			C	\$ 1,930	\$ -
Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ -	\$ -
Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ -	\$ -
Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		\$ -		\$ -	\$ -	\$ -			F	\$ -	\$ -
Ceded reinsurance premiums payable		\$ -		\$ -	\$ -	\$ -		\$ -	G	\$ -	\$ -
Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ -	\$ -
Subtotal ACA Transitional Reinsurance Program	\$ 67,171	\$ -	\$ 65,242	\$ -	\$ 1,930	\$ -	\$ -	\$ -		\$ 1,930	\$ -
Temporary ACA Risk Corridors Program											
Accrued retrospective premium	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	I	\$ -	\$ -
Reserve for rate credit or policy experience rating refunds					\$ -	\$ -	\$ -	\$ -	J	\$ -	\$ -
Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Total for ACA Risk Sharing Provisions	\$ 1,429,923	\$ (1,368,493)	\$ 1,585,145	\$ (2,215,568)	\$ (155,222)	\$ 847,075	\$ 261,238	\$ (847,075)		\$ 106,016	\$ -

(4)

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1 - 3 +7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium					\$ -	\$ -					
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
b. 2015											
1. Accrued retrospective premium	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -	
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
c. 2016											
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
d. Total for Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(5)

Risk Corridors Program Year	Estimated Amount to be Filed or Final amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions)	Non-Admitted Amount	Net Admitted Asset
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

An enrolled actuary has determined the estimated reserve for claims incurred but not reported. Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Note 26 - Intercompany Pooling Arrangements: None

Note 27 - Structured Settlements: N/A

Notes to Financial Statements

Note 28 - Health Care Receivables

A. Pharmaceutical Rebates Receivable

		Estimated pharmacy rebates reported	Pharmacy rebates as billed	Actual rebates received <= 90 days	Actual rebates received 91 - 180 days	Actual rebates received > 180 days	Total Received
*Section ID	Quarter						
01	12/31/18						-
01	09/30/18						-
01	06/30/18			513,869			513,869
01	03/31/18				560,730		560,730
01	12/31/17	365,181	365,181		423,123		423,123
01	09/30/17					438,030	438,030
01	06/30/17					444,939	444,939
01	03/31/17					420,754	420,754
01	12/31/16					314,650	314,650
01	09/30/16					234,853	234,853
01	06/30/16					48	48
01	03/31/16					134	134

B. Risk-Sharing Receivables: None

Note 29 - Participating Policies: None

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves: \$211,424
2. Date of the most recent evaluation of this liability: December 31, 2018
3. Was anticipated investment income utilized in the calculation? No

Note 31 - Anticipated Salvage and Subrogation: None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Michigan
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?

Yes[] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/21/2017
- 3.4 By what department or departments?
Michigan Department of Insurance & Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Plante Moran, PLLC, 16060 Collections Center Dr., Chicago IL 60693
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
John Vataha, ASA MAAA, Actuary Consultant, 96 Willowbrook Drive, Doylestown, PA 18901

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

\$ 0
- 12.13 Total book/adjusted carrying value

\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$ 0
- 20.12 To stockholders not officers

\$ 0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$ 0
- 20.22 To stockholders not officers

\$ 0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$ 0
- 21.22 Borrowed from others

\$ 0
- 21.23 Leased from others

\$ 0
- 21.24 Other

\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$ 0
- 22.22 Amount paid as expenses

\$ 0
- 22.23 Other amounts paid

\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 1,108,454

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

GENERAL INTERROGATORIES (Continued)

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	1,013,591	992,430	(21,161)
30.2 Preferred stocks			
30.3 Totals	1,013,591	992,430	(21,161)

30.4 Describe the sources or methods utilized in determining the fair values:
The fair value is obtained from Estate Valuation and Pricing Services, a pricing software

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
the fair value is obtained from Estate Valuation and Pricing Services, a pricing software

Yes[] No[X]
Yes[] No[] N/A[X]

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
32.2 If no, list exceptions:
33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Yes[X] No[]

Has the reporting-entity self-designated 5GI securities?
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Yes[] No[X]

Has the reporting entity self-designated PLGI securities?

Yes[] No[X]

OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$ 0

1	2
Name	Amount Paid

36.1 Amount of payments for legal expenses, if any?
36.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$ 6,554

1	2
Name	Amount Paid

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?
37.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

\$ 0

GENERAL INTERROGATORIES (Continued)

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[X] No[]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 251,977

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 226,780

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 251,977

1.62 TOTAL Incurred claims

\$ 226,780

1.63 Number of covered lives

..... 231

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	..... 143,773,241	..... 119,444,597
2.2	Premium Denominator .....	..... 143,773,241	..... 119,444,597
2.3	Premium Ratio (2.1 / 2.2) .....	..... 1.000	..... 1.000
2.4	Reserve Numerator .....	..... 17,441,374	..... 15,073,258
2.5	Reserve Denominator .....	..... 17,441,374	..... 15,073,258
2.6	Reserve Ratio (2.4 / 2.5) .....	..... 1.000	..... 1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 605,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

ALL ABOVE TOPICS ARE INCLUDED IN ALL PROVIDER CONTRACTS WITH LANGUAGE APPROVED BY DIFS

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 29,199

8.2 Number of providers at end of reporting year

..... 31,182

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 360,880

10.22 Amount actually paid for year bonuses

\$ 224,623

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4 If yes, show the amount required.

\$ 11,002,744

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

200% of Authorized Control Level

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Alcona County
Allegan County
Alpena County
Antrim County
Arenac County
Barry County
Bay County
Benzie County
Branch County
Cass County

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Charlevoix County
Cheboygan County
Clare County
Clinton County
Crawford County
Eaton County
Emmet County
Genesee County
Gladwin County
Grand Traverse County
Gratiot County
Hillsdale County
Huron County
Ingham County
Ionia County
Iosco County
Isabella County
Kalamazoo County
Kalkaska County
Kent County
Lake County
Lapeer County
Leelanau County
Lenawee County
Livingston County
Macomb County
Manistee County
Mason County
Mecosta County
Midland County
Missaukee County
Monroe County
Montcalm County
Montmorency County
Newaygo County
Oakland County
Oceana County
Ogemaw County
Osceola County
Oscoda County
Otsego County
Ottawa County
Presque Isle County
Roscommon County
Saginaw County
St. Clair County
St. Joseph County
Sanilac County
Shiawassee County
Tuscola County
Van Buren County
Washtenaw County
Wayne County
Wexford County

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes[] No[] N/A[X]

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written

\$ 0

15.2 Total incurred claims

\$ 0

15.2 Number of covered lives

..... 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes[] No[X]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes[] No[X]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	40,166,939	35,656,977	32,289,831	3,145,105	2,986,890
2. TOTAL Liabilities (Page 3, Line 24)	21,240,386	21,104,656	18,419,380	180,638	
3. Statutory minimum capital and surplus requirement	11,002,744	9,713,940	6,271,796	1,500,000	1,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	18,926,552	14,552,320	13,870,451	2,964,467	2,986,890
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	143,773,241	119,444,597	61,045,463		
6. TOTAL Medical and Hospital Expenses (Line 18)	124,904,608	110,095,247	55,889,125		
7. Claims adjustment expenses (Line 20)	2,342,999	1,757,261	1,208,393		
8. TOTAL Administrative Expenses (Line 21)	12,360,832	10,161,165	4,803,322	25,912	7,017
9. Net underwriting gain (loss) (Line 24)	3,953,378	(2,367,161)	(1,057,291)	(25,912)	(7,017)
10. Net investment gain (loss) (Line 27)	624,644	132,016	9,890	3,488	1,125
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	4,578,022	(2,235,145)	(1,047,401)	(22,423)	(5,892)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	5,224,664	1,301,101	10,776,942	147,400	(5,892)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	18,926,552	14,552,320	13,870,451	2,964,467	2,986,890
15. Authorized control level risk-based capital	5,501,372	4,856,970	3,135,898	6,565	5,531
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	28,536	28,075	27,073		
17. TOTAL Members Months (Column 6, Line 7)	354,914	339,253	167,447		
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	86.9	92.2	91.6		
20. Cost containment expenses	0.3	0.3	0.4		
21. Other claims adjustment expenses	1.3	1.2	1.6		
22. TOTAL Underwriting Deductions (Line 23)	97.3	102.0	101.7		
23. TOTAL Underwriting Gain (Loss) (Line 24)	2.7	(2.0)	(1.7)		
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	14,471,265	13,735,661			
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	15,073,258	14,541,597			
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

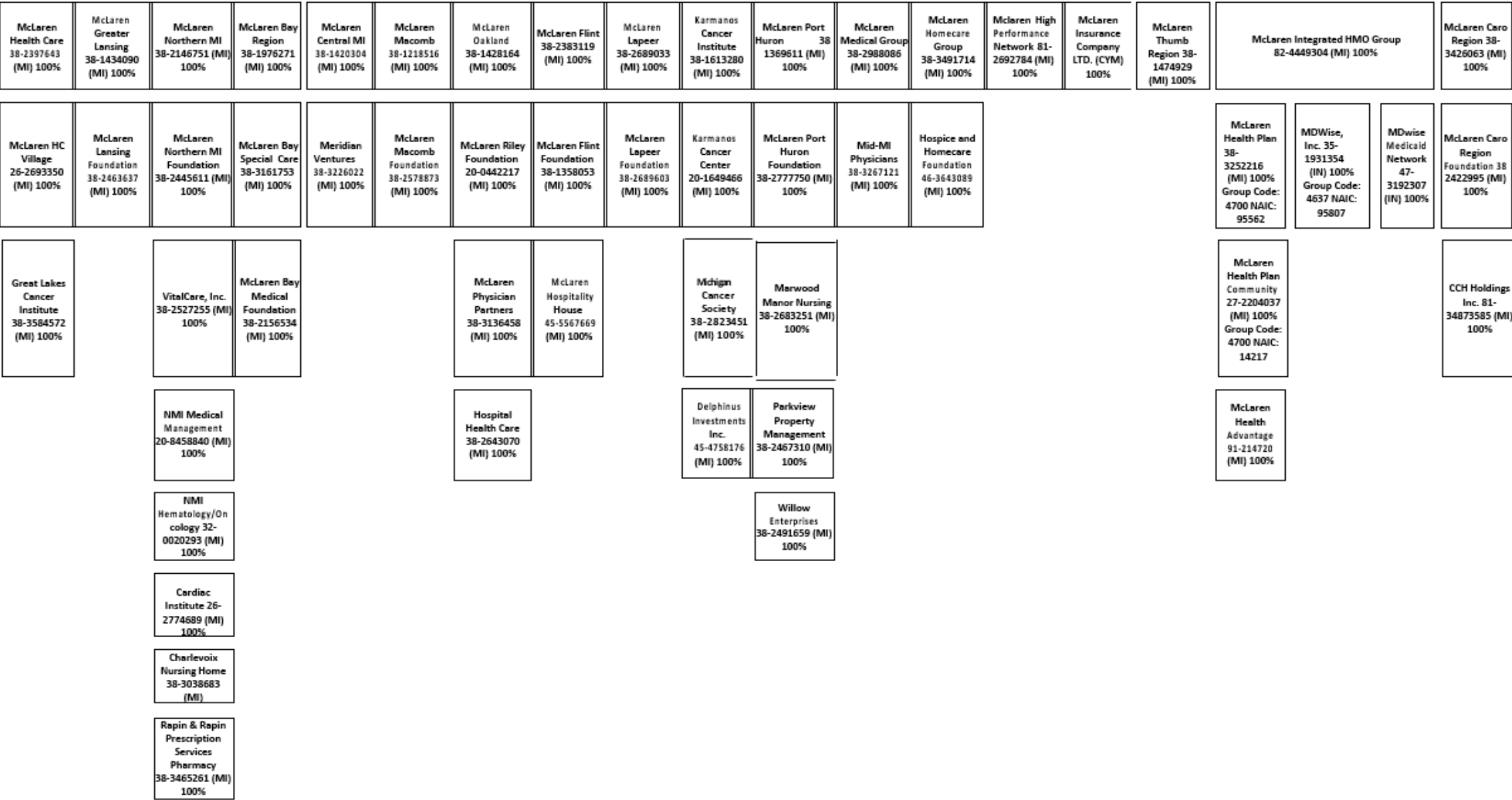
		1	Direct Business Only							
State, Etc.		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	145,835,456						145,835,456	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	145,835,456						145,835,456	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	X X X	145,835,456						145,835,456	
DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
N - None of the above - Not allowed to write business in the state
1
56
R - Registered - Non-domiciled RRGs
Q - Qualified - Qualified or accredited reinsurer

Explanation of basis of allocation by state, premiums by state, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

McLaren Health Care Corporation



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